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# The Reality of Multichannel Marketing

## In association with dotmailer

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# Contents

# 1. Executive Summary

How much of multichannel marketing is a dream versus a distraction? According to executives interviewed for this report and industry research gathered from a wide range of sources, most brands seek multichannel proficiency but few so far claim they have achieved it.

Many are increasingly discovering, however, that by focusing on a pivotal channel around which their multichannel proposition radiates, greater control can be achieved. Email is rapidly becoming the top choice to fulfil that role.

## Dream or Distraction?

As organisations move from product towards customer-centricity, multichannel behaviour on an organisation-wide basis is clearly desirable. Brands should seek to integrate their channel activity sooner rather than later.

But marketers agree that changing devices and behaviours mean they risk drowning in the detail, not focusing on the ultimate goal.

Executives interviewed for this study highlighted how they chose to focus on their own specific goals, responding to three business triggers:

- Inventory
- Customer touchpoints
- Beginning and end of the customer journey

As customer-centricity becomes increasingly important to organisations it is becoming clear that there are a number of aspects relating to multichannel that businesses, regardless of their stage of development, cannot afford to ignore. Mobile-optimised websites, comprehensive and integrated CRM for contact centres and a mature social presence are just three.

There remains work to do. Research by Econsultancy[1] has shown that only a minority of companies are consistently integrating their marketing efforts across channels. Customer expectation will not wait for companies to catch up with it.

## Email at the heart of multichannel

**Email** is rapidly becoming the pivot point for much multichannel activity whether it marries online and offline campaigns or remains purely digital. It is experiencing a resurgence as a promotional, service and content delivery tool and is the linchpin of automated messaging.

Relatively easy and cheap to manipulate, the experience provided on email can sometimes be difficult for other channels to match along the rest of the customer journey, presenting a challenge for marketers aiming to provide a consistent experience.

**Mobile**, though not a channel but a device, can change customer behaviour, particularly in relation to the influence of location, time and need. A third of Facebook's 864m active daily users only access the network via mobile. Equally, live chat is growing as customers begin to move away from the hassle of self-service and combine devices (i.e. desktop and mobile) to manage interactions – sometimes through two channels simultaneously.

**Search** remains the key acquisition tool – 44% of all customer journeys in the US in Q1 2014 began via search - but being able to target more effectively and automate to a degree where real-

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[1] *Channels in Concert – Quarterly Digital Intelligence Briefing*
*https://econsultancy.com/reports/quarterly-digital-intelligence-briefing-integrated-marketing*

time data and behaviour can be tracked while more in-depth, dynamic content can be delivered all contributes to dramatically increased click through.

**Data** is delivering reams more available insight on the consumer to brands but it can also mire them in too much analysis and too little action. Understanding where to effectively gather data, how much, where to store and when to deploy is one of the top challenges yet to be fully overcome by the majority.

As digital has entered the research phase of many consumer journeys, both **assisted selling** and **click and collect** have found themselves to be valuable weapons in the customer experience arsenal. In some cases they can actively increase basket size and CLV as reported by one company that noted 32% of its customers making additional purchases while visiting store for click and collect purchases. **Showrooming** is also gradually overcoming a perception among offline marketers that it is a symptom of online's gradual cannibalisation of the bricks and mortar business.

Challenges and opportunities in multichannel remain, but achieving a sustainable and effective level of sophistication is a balancing act for marketers. Frustrated that they can't access the budget to fully exploit the wide range of multichannel opportunities, it is important to note that not all opportunities fit every business. Finding the ones that will deliver proportionate growth to the company is the key.

**The automation and personalisation of email** will prove a significant boon as its ability to follow an intelligently plotted lifecycle means that the channel no longer needs to deliver dry and impersonal communications to valued customers.

It is vital to choose strategies wisely and retain focus on the most profitable activities. To do so, removing distractions and returning to the dream of customer-centricity is a priority as the core customer group's channels of choice will prove to be an automatic starting point for a successful multichannel strategy.

## 2.    Key findings

### Conservatism and immaturity abound

Even in a channel that can have such a reliable and direct impact on sales as email, many medium-sized companies are simply not yet sophisticated enough to use it as powerfully as they could.

While email is pivotal in the multichannel journey, it's not transactional. For some, this means email is still consigned to a fate of driving customers to store and online, offering discounts, but hasn't yet been personalised, tested or automated.

The trailblazers in multichannel marketing will be discussed in this report, just as the more representative medium-sized businesses will be. The normal distribution or bell curve, though, can be said to peak at the point of sophistication where marketing teams are providing slick, short customer journeys across relatively few channels, with an emphasis on email, search, web, physical store and, if appropriate, service channels such as telephone and live chat.

Proving ROI is essential, and this is of course a simpler process for web stores, physical stores, marketplaces and other purchase channels. When small teams preside, the resource needed to fully attribute value to each marketing channel is lacking. The need to produce a watertight business case for new technology and marketing can prevent a team from innovating.

On the other hand, it's arguable that conservatism in the right degree is a good approach when it comes to multichannel marketing. Hardware and software are expensive, as is the staff to support it so concentrating on the 'bread and butter' is a theme we will see throughout.

According to **Tim Lundberg**, Head of CRM, Reed Online:

*"The biggest barrier is cost and working out a business case for it, proving ROI. We would only venture into new areas if we saw an immediate need to do so."*

The theme of companies having a good feel for what their customers want when it comes to marketing and service mix is visible throughout this report, with companies taking a balance between common sense, 'feeling their way' and providing harder metrics for audience insight.

Of course, there's always the chance that companies can be blindsided by new disruptive marketing and sales technology. In much the same way as many high street stores were hit by the recession, businesses could conceivably fall behind if they fail to invest in a multichannel experience.

### Horses for courses

Executives interviewed for this report come from a wide range of companies, from online-only recruitment services to small retailers embedded in museums starting to look at ecommerce; from big telecoms companies to higher education institutions.

What this range of interviewees and their comments highlight is just how different customer needs are in different industries. What's important is that companies use appropriate channels and design experiences that add to product value.

### Email and mobile in harmony

Email is widely mobile-optimized, even by the more nascent multichannel marketers, a strategy that has become a necessity with the increasing penetration of smartphones which has led to the email open rate via mobile overtaking that of desktop. However, often, links don't reveal a

mobile-optimized website. These deficiencies are high on the agenda for many medium-sized companies, especially those selling online. With ecommerce revenue attributed to tablets and smartphones rising, even companies that self-identify as conservative are rolling out responsive websites.

Push notifications and SMS are identified as mature and effective methods of 'push marketing'. Focus on social media is in many ways a concession to device habits, as the majority of social media activity is on mobile. Spreading content through this channel is in some ways easier than on a website, if that site needs updating.

## Silos remain a hindrance

Some of the businesses featured in this report rightly hail the reduction of departments within their marketing and sales operations. However, even where the number of silos has been reduced, there may still be too many, particularly where data is siloed.

In companies where social media, email and web are all managed in very separate teams, with separate budgets and targets, multichannel marketing is difficult. Often, the respective heads of marketing and sales silos will be digitally and multichannel minded, but until organisational change from the board down has changed not just mission statements, but technology and processes, this isn't enough.

## Email automation is firmly on the agenda

Most of the interviews conducted for this report made it clear that email is as much a baseline requirement in a multichannel strategy as good creative is in advertising.

Where email can be advanced further is in the case of automation. Email is the most effective communication/marketing channel to automate based on users' website and purchase behaviour.

Those that are already automating email plan to automate more and those that aren't are currently putting together a business case for the technology. The fact that email service providers now generally allow for this makes the process easier.

It doesn't stop at email, of course. To look at what a leading light such as Amazon automates is to look at a lot of its activity, both pull and push. In ecommerce, recommended products features are perhaps the most powerful and are now commonplace among web storefront providers.

Advanced automation, through greater integration of marketing channels and the incipience of machine learning within data management tools is clearly in the minds of even the more conservative marketers.

## Companies must resist over-complexity in automation

Budget constraints should exert a natural influence here but marketers must also resist the temptation to segment and target to the nth degree, just because the data and technology allow them to do so. In the multichannel environment, now overlaid with digital analytics, one eye must always remain on the value of incremental gains.

## Legacy technology is still a major issue

Ros Lawler, Director of Ecommerce at Tate, provides a case study in this report that accurately sums up how platform issues, particularly with websites, can cause a logjam when planning multichannel activity.

In the case of Tate, the relatively new online shop has a separate basket to that for membership. This causes difficulties in cross-selling products on the web and through communications channels. Whilst the user journey can be patched up to feel rather slick, it's a short-term fix and if data is not being stored centrally, integration with CRM will not be an easy process until web platforms are consolidated.

This is just one example of a trend for legacy technology hamstringing smaller companies that have only sanctioned enough budget to improve one platform at a time.

Start-ups have an advantage in this respect, able to plug into cloud services quickly, with many of the main providers efficiently using partners with other functionality. Store front combined with CRM, email, personalisation and automation tools would be one such example.

## Omnichannel is an unhelpful term

Some commentators like to use the word 'omnichannel', seeing it as a progression of multichannel. This is especially the case in retail.

Omnichannel refers to an experience being consistent, whichever channels the customer touches first, and travels through the user journey to sale. Not simply consistent, the term by some definitions entails 'knowing' the customer at each touchpoint and being active in each channel that the customer conceivably could be.

Although this is achievable for some, it rather detracts from the point of ascertaining which particular customer journeys are of strategic importance to a business. As this report looks at the short- and long-term goals of businesses in marketing and sales, getting the basics right is cited most often.

In this light, the real definition of multichannel marketing becomes a case of using varied tactics in different channels for customer acquisition, serving the customer in a smaller number of key channels and selling in the most appropriate.

Using automation and personalisation (particularly in advertising, website and email) allows businesses to further enhance and scale these selected interactions. With the addition of, variously, call centres, live chat and social media to provide support, a justified multichannel approach can be found, catering for the most common customer journey types.

# 3. Foreword by dotmailer

Multichannel marketing has been a reality almost since marketing as a discipline began but the explosion of new engagement platforms and technologies, and our increasing ability to track and connect interactions, has increased our focus on this as marketers massively over the last few years.

As both marketers and vendors of multichannel technology ourselves, we're deeply interested in how brands are thinking about, planning and executing customer strategies cross channel – and, of course, about how customers are using those channels.

And that's the important question that our account managers and consultants always ask. We've found that often the discussion around a brand implementing a multichannel approach is about rushing to the latest, coolest platform rather than thinking about what is best for the business or focusing on intelligently connecting the best performing channels into a seamless journey that works for the customer.

That requires the ability to capture data across the customer journey and to build programmes that connect the most appropriate channels to the most appropriate journey. For all but the biggest brands with the biggest teams and biggest budgets, that can be a serious challenge.

We were interested in finding out how brands are approaching this challenge, what their barriers and priorities are and which channels are the most important as multichannel marketing management becomes a daily reality for marketers.

This study with our partner Econsultancy provides insight into those questions and will give marketers some guidance on how to tackle the multichannel maze, building customer journeys where the main focus is on the channels that provide the best commercial response.

You'll see for yourself that what seems to work for one brand quite clearly is a bad fit for another. You'll understand the challenges of those brands that are wholeheartedly embracing a multichannel approach, and what benefits they believe they're reaping from it.

Chris Boddice
Marketing Director
**dotmailer**

# 4.    Introduction

Multichannel marketing is a tempting array of possible strategies and campaigns each with tales to tell of five, six and ten-fold increases in customer conversion. The ability to measure each component of an integrated campaign is unparalleled, advocates suggest, painting pictures of minimal marketing investment wastage and high levels of business effectiveness from a company segment widely known as the single biggest spender and sometimes, less charitably, as the 'colouring-in department'. The promise of effectiveness and detailed accountability is seductive.

On the other hand it can prove a daunting web of confusion and potential wrong-turns. No action is without an equal and potentially opposite reaction where well-intentioned campaigns take on lives of their own and outpace the capabilities of the organisation attempting to catch and pin them down.

This report looks at how the various channels interact to make an efficient, effective whole and examines how – by putting email at the centre of the multichannel strategy – companies can keep control of their campaigns while gathering and analysing data to inform the next step.

## Other related Econsultancy content

**Cross-Channel Marketing Report 2014**
https://econsultancy.com/reports/cross-channel-marketing-report

**Channels in Concert: Trends in Integrated Marketing**
https://econsultancy.com/reports/quarterly-digital-intelligence-briefing-integrated-marketing

**Joining Up Data, Online and Offline Channels Trends Briefing: Digital Cream 2014**
https://econsultancy.com/reports/joining-up-data-online-and-offline-channels-trends-briefing-digital-cream-london-2014

**Reducing Customer Struggle**
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https://econsultancy.com/reports/marketing-attribution-management-buyers-guide

**Cross-Channel Marketing Trends Briefing: Digital Cream 2013**
https://econsultancy.com/reports/cross-channel-marketing-trends-briefing-digital-cream-london-2013

## 4.1.  Methodology

Econsultancy spoke to senior marketing and ecommerce professionals across a range of sectors. In a series of interviews, they were asked about their concept of multichannel marketing and the maturity of multichannel marketing within their organisations. Challenges, opportunities and best practices within marketing and sales in their respective industries were discussed and the extent to which multichannel marketing can be refined (and to what end).

Further desk research was conducted to garner industry insight as well as accessing Econsultancy's wide range of proprietary consumer and industry data.

## 4.2.  Acknowledgements

Econsultancy would like to thank the following individuals for their contributions to the report:

- David Paice, Ecommerce Director, **Merlin Entertainments Group**
- Ros Lawler, Director of Ecommerce, **Tate**
- Chaka Camacho, Web and Digital Insights Manager, **GSM London** (formerly Greenwich School of Management)
- Tim Lundberg, Head of CRM, **Reed Online**
- Dwayne Browne, Digital Insights Manager, **EE** (*outgoing, now at Accenture*)
- Haydn Parks – Head of CRM and Online Marketing, **Agent Provocateur**
- Ed Armitage, Head of Ecommerce, **Hobbycraft**
- Will Lockie, Programme Head - Multichannel, **Evans Cycles**

Additional quotes were included from previous interviews (in Econsultancy research reports and on the Econsultancy blog) with the following individuals:

- Simon Forster, Executive Director - Multichannel, Marketing & Supply Chain, **Selfridges**
- Antony Lea, Head of CRM, **Notonthehighstreet.com**
- Adam Pow, Senior Global CRM Manager, **LEGO**
- Steve Sweeney, **MoneySuperMarket.com**
- Andy Edge, Commercial Director for **Odeon and UCI cinemas**
- Brian Streitch, **StubHub**
- Jonathan Dicks, Ecommerce Director, **Hudson's Shoes**
- Clive Grinyer, Customer Experience Director, **Barclays**

## 4.3.  About Econsultancy

Econsultancy's mission is to help its customers achieve excellence in digital business, marketing and ecommerce through research, training and events. Founded in 1999, Econsultancy has offices in New York, London and Singapore.

Econsultancy is used by over 600,000 professionals every month. Subscribers get access to research, market data, best practice guides, case studies and elearning – all focused on helping individuals and enterprises get better at digital.

The subscription is supported by digital transformation services including digital capability programmes, training courses, skills assessments and audits. We train and develop thousands of professionals each year as well as running events and networking that bring the Econsultancy community together around the world.

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## 4.4.    About dotmailer

dotmailer was founded in 1999. The aim was to enable organisations to grow their business through online channels. Made up of dotmailer, dotsearch, dotcommerce, dotagency and dotsurvey, the group's expertise covered the entire spectrum of online marketing and ecommerce.

Today, the business is solely focused on email marketing and marketing automation. It has grown to become a leader in the provision of intuitive Software as a service (SaaS) email marketing and cross channel tools. Even better, we've retained the people and knowledge of ecommerce and agency within our business.

The powerful automation technology and easy-to-use interface delivers marketers a single solution to engage customers via email, mobile, social media and landing pages to improve customer lead generation, conversion and retention.

Pre-built and custom-built integrations allow the dotmailer platform and tools to share data seamlessly with clients' CRM, eCommerce and third party applications – improving the understanding of their customers' behaviour to develop even more relevant and rich relationships.

For clients that don't have the time to do every aspect of their email and cross-channel marketing, dotmailer provides a comprehensive range of expert, strategic, design and campaign management services.

With offices in the USA and the UK, dotmailer serves a global customer base of 70,000 marketers in 120 countries helping them to improve their marketing performance.

Visit www.dotmailer.com for more information and contact details.

# 5.  Defining multichannel marketing

## 5.1.  What is multichannel marketing?

### Defining 'Multichannel Marketing'...

Multichannel marketing has been defined hundreds of times by marketers, technology vendors, analysts, consultants; everyone has their own idea of the meaning. Etymologically-speaking, it should be simple to grasp the meaning of 'Multichannel Marketing': on the Econsultancy blog, Ben Davis recently provided five definitions, including '**marketing in more than one channel**' and '**meeting customers at each marketing or communication channel**'[2].

Multichannel marketing at its most complex includes **automation, personalisation, attribution and resolution or transaction across every marketing and communications channel**.

It should be noted that many people conducting multichannel marketing are not directly selling something – it could be brand marketing by a company such as Nike where ads, communities, PR spreads and sponsored events stoke desire but the majority of sales are made by partner retailers.

Alternatively, it could apply to the travel sector where a single destination is quite literally arrived at after a customer journey through numerous channel, brand and device touchpoints.

It is a major challenge for companies to measure the relative impact of each marketing channel and to ensure that their effects on each other are understood, too. Last-click analysis can lead to channels such as social media being difficult to attribute value to. Similarly, the difficulty in tracking users across different devices makes users difficult to track, outside of social, apps and various ecosystems, most notably the Google ecosystem (any place a user is signed in and recognised).

It's useful to remember the value of working towards the single customer view. This is a step further than attribution and gives insight into the precise make-up of prospects and customers. The concept is to add data to each customer profile and ensure that no two data points from the same customer are taken to be two individuals. Knowing their location and transactional behaviour are both important parts of building a view of the customer, allowing segmented and personalised communication in and out of the sales channel.

With laudable brevity, EE's digital insights manager, Dwayne Brown distils what multichannel marketing means to him below, while Haydn Parks, Head of CRM and Online Marketing at Agent Provocateur, details how it impacts on his role:

### Voice of the brand

"[Multichannel marketing] is a view of, or attracting the right audience across, paid, owned and earned media … If we have a single message across those channels then that for me would be what multichannel marketing is."

**Dwayne Brown, Digital Insights Manager, EE**

"At Agent Provocateur my time is split across online marketing and CRM functions, so the term 'multichannel marketing' neatly defines a large proportion of my role, creating that single customer view and making what customer data we have actionable across all channels."

**Haydn Parks, Head of CRM, Agent Provocateur**

[2] https://econsultancy.com/blog/65651-five-definitions-of-multichannel-marketing-including-obligachannel

# 5.2.    Business needs dictate multichannel efforts

Marketing and sales activity is still largely dictated by business need, according to the executives interviewed for this report. The product or service and/or dominant customer segment profile go a long way to determining priorities when it comes to multichannel strategy.

A recent white paper from Evans Cycles outlines the impact of product type on multichannel strategy where insights from customer behavioural data implied that click and collect was both a customer service and convenience measure:

## Excerpts from 'Delivering an effective click-and-collect strategy: A retailer case study'

"Bicycles are a particularly complex product to retail: due to such issues as their bulk, complexity, sizing and compatibility, consumers often seek test rides or advice in person.'

"Expert advice and assistance from store staff are … highly valued by customers."

"The growing trend for consumers to shop online and collect goods offline is evident from [Evan's Cycles'] internal sales data, which show click-and-collect orders now accounting for nearly half of all web orders."

"A new mode of multichannel shopping behaviour is identified and proposed —research online, purchase and research offline."

"Any strategy needs to be built around individual business considerations. For instance, consider the differing click-and-collect offerings of a do-it-yourself retailer like Screwfix, whose products are [potentially needed within the hour].'

**Will Lockie, Programme Head, Multichannel, Evans Cycles**

Will Lockie, Programme Head of Multichannel at Evans Cycles, expands on the definition of multichannel by stressing that the company should interact with the customer in a way that is appropriate *to its bottom line*.

If cost reduction is a goal then click-and-collect can offer retailers reduced cost of sale by shifting customers away from home delivery and associated courier costs, towards using the retailer's existing infrastructure and supply chain to deliver orders to stores. Evans Cycles has seen significant reductions in cost of sale from this channel shift, ultimately driving bottom-line growth.

Marrying customer insight around improved experience with business insight into efficiency improvements, multichannel thinking produces a win-win. Lockie goes on not so much to define what multichannel is but what questions a retailer (and, by extension any business) should ask itself when setting business strategy:

- Inventory – Where? How much?
- Customer touchpoints – How many? When?
- Channel switching/task completion – Where can the customer start and end with ease?

He concludes his notion of multichannel by combining it with the oft-mentioned, rarely-applied concept of customer-centricity:

*"It is worth noting that the objectives of any successful strategy are most commonly grounded in goals of long-term profitability and the creation of a unique value chain for customers."*

**Will Lockie, Evans Cycles**

## 5.3.    Multichannel maturity

The JUMP conference was launched by Econsultancy in 2010 in response to the demand from marketers to get to grips with multichannel marketing. Social media was maturing, automation was taking off and search, email and web design grew ever more sophisticated.

Five years on, just as a single conference on channels has been folded into the wider-ranging, multi-disciplinary Festival of Marketing, multichannel has evolved along similar lines and 2015 is all about customer expectation.

Meeting expectations means that many companies could be labelled laggards if lacking one or some of the following functionalities:

- a mobile-optimised website

- automated email triggered by transaction/behaviour

- a mix of retargeting across search and display

- a holistic view of stock in-store

- click and collect

- web chat

- a comprehensive CRM for call centre operatives

- personalised ecommerce

- a mature social presence with organic content publication, community engagement and social advertising.

Companies are not lacking evidence from their peers about the incremental uplift in revenues that adopting a multichannel approach can bring. One great example is Argos, which has seen multichannel sales penetration increase to over 50% of total sales, partly due to the astounding success of their reserve and collect service.

However, there is data to suggest that many are finding the transition to multichannel painful. According to a report presented at the Direct Marketing Association San Diego conference in October 2014, two-thirds of marketers in enterprise companies fail to tightly coordinate their campaigns across all marketing channels and only 43% state that their marketing departments share common goals across channels. The survey also found that only 39% of mid-sized companies also shared these goals.[3]

Other challenges faced by marketers revealed in the report by The Relevancy Group included:

- 29% of enterprise marketers found managing offers across multiple campaigns difficult

- 28% had trouble coordinating marketing across departments and brands

- Lack of common technologies, staff and IT support was the third most significant challenge to the multichannel

**What good looks like**

A typical example of a mature multichannel experience might be searching for a local cinema in Google, finding a listing at the top of the search engine results page (SERP) with one site link listed as 'purchase tickets', clicking through via a smartphone and accessing a mobile-optimised site using appropriate form factors to easily take your payment (despite the existence of an

[3] *http://www.cmswire.com/cms/digital-marketing/top-challenges-for-multichannel-marketers-dma14-027009.php#null*

equally functional app), receiving etickets with a QR code emailed in a smartphone-friendly design, watching the film and then receiving a follow-up email, tailored to this month's exclusive events, asking if you'd like membership of the cinema at a promotional discounted rate.

The channels here are simply search, web and email, but the fact that the customer's expectations are met at each touchpoint makes for a satisfying experience.

A less ideal example would be telling airline customers looking to check-in online that check-in is only available at the airport desk. Or not giving the option of a mobile boarding pass, necessitating access to a printer. These may seem minor inconveniences but in 2014 there are enough examples – American Airlines, Virgin North America to name but two – who widely publicise these features and lead consumers to question companies who cannot provide them.

Clearly dealing with legacy data and technologies presents a more complex task the larger the business is. However the current landscape is not without solutions. Software as a service, available in the cloud, is easily available and integrated with other software, as long as data is in a manageable format. To some extent, this allows new businesses, or those without legacy data silos and technology issues to quickly slot together elements such as a CRM, an email service provider (ESP), a website, an analytics and personalisation platform, an automation platform, and so on.

Theoretically, this could make multichannel marketing eventually become a plug-and-play type activity, with strategies translatable across sectors, particularly with increased integration of advertising and measurement technology, such as the 'Google stack'.

The quote below, from Ros Lawler of Tate, is a good one to sum up the maturity of multichannel marketing. Many companies are much more mature than Tate's ecommerce arm, but Tate perhaps represents the median mark of maturity for mid-sized enterprises. Expectations are high due to the prestigious nature of the institution (a familiar story for businesses transforming to digital) and major pieces of the multichannel puzzle (such as a mobile-first website) are yet to fall into place. Until some of these major developments happen, many companies are missing market opportunities.

## Voice of the brand

"People have high expectations of Tate as we are at the forefront of digital and art, so we'd like to deliver something that fulfils those expectations. We have a little way to go just yet.

"Tate excels in some areas of digital, but there are still some basics to get right – a responsive online shop for example, and an ecommerce experience that can be tailored for our international customers."

**Ros Lawler, Director of Ecommerce, Tate**

# 6. Email at the heart of multichannel

So far it's been concluded that the definition of multichannel involves the integration of individual channels and touchpoints that don't behave in a linear fashion, posing challenges around measurement through the very nature of their integration. To assess the potential impact of that integrated approach, however, it's important to review each channel individually to appreciate how multichannel has caused it to evolve.

## 6.1. The hub of multichannel

The emergence of the multichannel discipline has given something of a boost to email marketing. In the past, email was often considered to be less interactive than other channels - unable to engage visually like display or emotionally like social. But it is now re-emerging as a fulcrum for a wide range of online and offline brand engagement activities.

The email channel has become a linchpin within multichannel campaigns as the emergence of smartphones has meant that email opens on mobile have exceeded those on desktop. As a result, emails that are fully optimized for mobile can create an enormous impact, and marketers are beginning to realise this, including email in their strategy for the mobile channel.

Rapidly becoming the tie that binds disparate elements of the multichannel together, email is playing a crucial role in the increasingly multi-device behaviour of consumers. Research from eBay suggests that the consumer will use an average of three to five platforms when considering a purchase[4] and each move between them creates the potential for a lost sale. Using email, whether triggered through registration, a dropped basket, a behavioural or anniversary-related input, helps draw the consumer back into the consideration process and moves them forward on their journey.

Easy and inexpensive to both automate and personalise, and highly trackable, email is rapidly becoming the heart of the multichannel environment.

### 6.1.1. Email as a key engagement tool

Encouraging discoverability is one of the most expensive marketing strategies. Heavily dependent on ad spend above the line as well as search, email is able to add to customer discoverability, particularly if data are deployed intelligently to deliver a degree of personalisation and relevancy. Tim Lundberg, head of CRM, Reed Online, highlights how important email is to his company. Email-to-web is a key customer journey, once the customer is registered.

Recent research by Experian noted that personalised email promotions had a 29% higher open rate and 41% higher click-through rates than non-personalised emails[5]. Given the opportunities to engage with prospects and customers using dynamic content in an automated fashion, the estimated 70% of brands who do not yet personalise via email are clearly missing an opportunity[6].

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[4] https://econsultancy.com/blog/65281-how-can-businesses-track-the-customer-journey-in-a-multichannel-world#i.1wjdtrom5qe2ny
[5] https://blog.kissmetrics.com/analytics-ecommerce-conversion-rates/
[6] http://marketingland.com/study-70-brands-personalizing-emails-missing-higher-transaction-rates-revenue-73241

## Voice of the brand

"We, at the moment, are mainly focused on email. We do a lot of search marketing, we do a lot of PPC and we want to do display and a few things like that, but it's very much focused on inbound and communications.

"Email campaigns drive people to the site and are fully mobile optimised. We have a large proportion of our traffic from either alerts that people create or behavioural emails based on site activity. So there's a powerful connection between the site and email. The site is very reliant on email for traffic and for leads for different parts of our business."

**Tim Lundberg, Head of CRM, Reed Online**

"Our customer segmentation is partially defined by value band for which we have a broad and varied base. Email allows us to communicate in a relevant and customised manner to different segments, and as such is an incredibly important channel for the whole business."

**Haydn Parks, Agent Provocateur**

Tim adds that Reed Online's "email is probably about 70% automated".

Other businesses such as estate agents will likely fit this model of dependence on email alert to web. Here, as in many industries, there is great scope for automation, which will be discussed in the next section as the key to scale.

The ability to track the customer journey through email with embedded links and landing pages is now an important method of gathering data and optimising performance, learnings which can then be applied to other marketing channels.

## Voice of the brand

"Email is where you communicate with customers and it's the most measurable way of seeing where they go."

**Antony Lea, Head of CRM, Notonthehighstreet.com**

Email has been successful for long enough for many marketers to see the channel as fairly mature. However, despite this, Haydn Parks hints at new ways in which the channel is used to link up multichannel journeys:

*"Email is a stable and significant contributor to on and offline sales, and lead generation represents an opportunity for further channel growth. Agent Provocateur delivers incredibly engaging seasonal campaigns, so leveraging and executing them online to deliver a return is a focus whether it's converting site visitors into shoppers or capturing their data.*

*"We're currently using our latest campaign to engage and nurture new prospects via a lead generation mechanism. Traffic is predominantly being driven through acquisition channels, such as social and RTB display advertising.*

*"We collect email addresses in-store, depending on the situation. Stores have KPIs on linkage and opt-in rates, so email is just as much an important channel for the retail side of the business as it is for ecommerce."*

According to the Direct Marketing Association (DMA), email is the preferred mode of brand marketing for consumers in every age bracket, topping post, phone, face-to-face, SMS and social media.

Its relevance and acceptance stems from its continuing status as the identifier of the consumer.

Email is also non-intrusive and the customer, if subscribed, is content with the value exchange – offers and information in exchange for personal details.

Table 1: Marketing channels through which UK internet users prefer to be contacted, by age, Feb 2014

| % of respondents in each group | | | | | | |
|---|---|---|---|---|---|---|
| | **18-24** | **25-34** | **25-44** | **44-54** | **55-64** | **65+** |
| Email | 83% | 76% | 78% | 75% | 75% | 75% |
| Post | 28% | 21% | 28% | 41% | 40% | 45% |
| Phone (landline) | 22% | 9% | 9% | 11% | 14% | 19% |
| Face-to-face | 18% | 17% | 18% | 22% | 22% | 20% |
| Phone (mobile) | 17% | 12% | 8% | 4% | 4% | 3% |
| Text / SMS | 16% | 9% | 6% | 3% | 4% | 2% |
| Social media | 10% | 6% | 4% | 3% | 2% | - |

*Source: [Direct Marketing Association UK](#) – Customer Acquisition Barometer 2014*

## 6.1.2.   Email as online/offline data conduit

It's a regular marketing gripe: "Digital is amazing, but…"

- Digital is amazing for measurement but I can't get the same accuracy offline.
- Digital is amazing for one to one interaction but I can't foster the same relationships at volume offline.
- Digital is amazing for gathering data but I can't acquire it offline.

Except email allows brands to do just that, as Haydn Parks of Agent Provocateur hinted at in the last section. The email address is the passport to customer data. A familiar trope for the customer as a way to gain access to a variety of services, companies have woken up to various added-value products they can offer in the offline environment that translate into improved experiences for the consumer and better access to data for the marketer.

**David Paice**, Director of Ecommerce, Merlin Entertainments, points out that gathering email addresses either offline or on a store's Wi-Fi network is a valuable and often overlooked way of attaining customer data.

*"We have communicated how important it is to drive customers to the email funnel. From Wi-Fi sign-up in parks all the way through to customer satisfaction surveys – anywhere we engage we should make an effort to collect data as long as it's not too intrusive."*

**Edward Armitage** of Hobbycraft expands on this below, discussing email as a link between online and offline, and a channel deserving of its own team within commerce due to the amount of work in CRM and email testing. This is discussed further later in the report.

### Voice of the brand

"I think taking email out of the ecommerce team into its own team is a sensible move.

"The whole CRM/loyalty world has a different mindset from the acquisition and trading mentality that you often have in an ecommerce team. I think it's a lot more measured and a lot more planned. So it made sense to spin it off into its own department because it's a strategic priority for us.

"I would say that email is the pivotal channel for us – it's the one channel that ties together our online and offline customers. We have a large customer database, we're launching a loyalty card, and email is the single, common marketing method that unites the two. It allows us to contact our offline customers and our online customers, and indeed our multichannel customers."

**Edward Armitage, Head of Ecommerce, Hobbycraft**

Haydn Parks of Agent Provocateur continues on this theme, adding a note of caution:

*"Online and offline are starting to get a lot more integrated. For email, we can track it back to who's on our database and shopping in store.*

*"There are still questions about cannibalisation which CRM data helps to address. However, I'm not currently aware of any solution which can definitively link cross-channel digital marketing spend to offline purchases."*

## 6.1.3.    Email as the identifier

Email as a general identifier of the customer is also a theme. So much of creating multichannel experiences stems from attempting to tie data sets together with the goal of a single customer view, otherwise communications may not be relevant or timely across channels. Spotting a customer entails choosing an identifier and this is often email.

One relatively new technology, Facebook's Custom Audiences, shows how far this extends (into social) and that email is the heart of a CRM customer profile.

Custom Audiences allows companies to use their email lists to send targeted Facebook ads to users your organisation already has a relationship with.

The feature creates opportunities to send targeted ads to users, whether that's an entire database, shopping cart abandoners or perhaps customers that bought at this time last year, or in the last week.

The key is using the email address as an identifier to engage with customers on different channels – social is just one example.

## 6.1.4.    Email presides in automation

As touched upon in the last chapter, many companies are automating email and in the 'opportunities' section of this report we'll see that those not already doing this are considering a new platform or service to enable it.

It's worth noting that though many channels for marketing have automated elements (think auctioning of advertising) chiefly automation refers to the triggering of another method of communication.

At the moment, email is the main domain for this. Haydn Parks sums up the state of play nicely below.

*"We have a number of automated programmes within our email platform triggered by onsite behaviour. The next step is to integrate our CRM data to influence message content and deployment.*

*"The aim is to have full customer lifecycle automated programmes that fit within a schedule and hierarchy of communications, encompassing both one-to-one clienteling and central marketing activity. To have that fully spec'd out is going to be the next landmark for us."*

The different types of email programme being automated are copious. From welcome campaigns and post purchase cross-sell/upsell to subscribed alerts and newsletters, e-receipts, encouraging product reviews, customer surveys, wish list reminders, cart abandonment, browsing, social activity (such as competition entry on Facebook), birthdays, loyalty rewards and re-engagement/win back for lapsed customers.
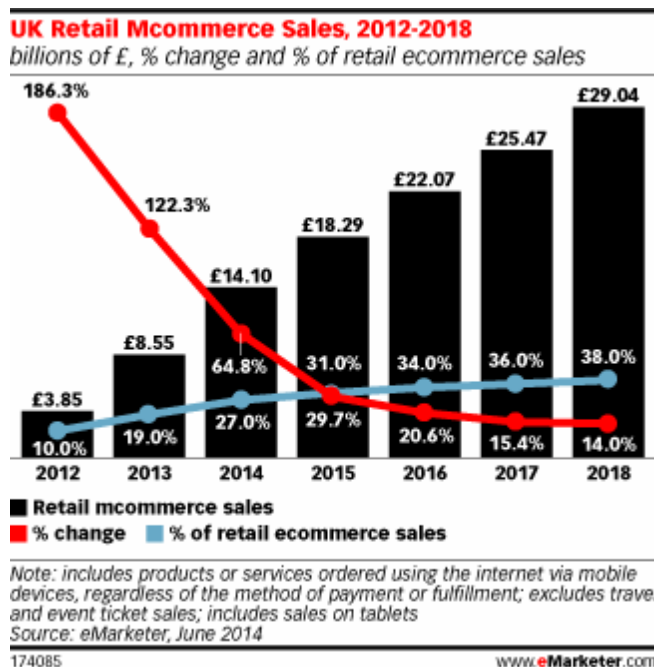
Email affords a variety of usage across the customer journey, however it must be said that the range of triggers is currently limited and mainly transactional and browsing-related, with some social where safe.

# 6.2. Designing for the mobile journey

Mobile is not a channel but a device. It plays a part in many online customer journeys, with transactions on tablet and smartphone rising steadily. Email is often the trigger for the transaction; email open rates on mobile devices have risen to 66% of all email opens (49% via smartphones)[7], and this trend has created a need for mobile- and tablet-optimised emails.

Optimised emails result in an improved mobile experience; increasing engagement and making it more likely that consumers will follow the journey through on their mobile device, ending in a transaction. Emails via mobile can be optimised using, for example, geolocation, in the same way that SMS is, facilitating the reinvigoration of email.

Figure 1: In 2014, over a quarter of all UK ecommerce sales happen via mobile with a predicted rise to two in five by 2018[8].



**UK Retail Mcommerce Sales, 2012-2018**
*billions of £, % change and % of retail ecommerce sales*

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|---|
| Retail mcommerce sales | £3.85 | £8.55 | £14.10 | £18.29 | £22.07 | £25.47 | £29.04 |
| % change | 186.3% | 122.3% | 64.8% | 29.7% | 20.6% | 15.4% | 14.0% |
| % of retail ecommerce sales | 10.0% | 19.0% | 27.0% | 31.0% | 34.0% | 36.0% | 38.0% |

Note: includes products or services ordered using the internet via mobile devices, regardless of the method of payment or fulfillment; excludes travel and event ticket sales; includes sales on tablets
Source: eMarketer, June 2014
174085                                                                www.eMarketer.com

The reinvigoration of email noted above has been largely down to the growth of mobile. Mobile email opens grew 23% in 2013 from 43% to 51% and 48% of all email opens happened on mobile (including tablet) in Q2 2014. Email on mobile is predicted to grow around a quarter by the end of 2014 and again in 2015[9]. Email is the jumping-off point for the majority of multichannel experiences listed below (as well as a critical customer service interaction in others, viz click and collect). As a result it is easy to see how email becomes the baseline for the customer's whole multichannel experience.

# 6.2.1. Mobile to web

*"At the moment we have an average of around 1m visitors per week, well over half which are on mobile devices. This is an area that is accelerating rapidly, as mobile represented 24% of traffic this time last year.*

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[7] http://www.dazeinfo.com/2014/11/27/email-marketing-open-rate-engagement-smartphone-desktop-study/
[8] http://www.emarketer.com/Article/Mobile-Shopping-Drives-UK-Retail-Ecommerce-Sales/1010945
[9] http://www.emailmonday.com/mobile-email-usage-statistics

*"25% of these visits are from users on mobile phones. There's no doubt that we'll see customers using their phones making up 50% and more of traffic in the near future."*

**Simon Forster, Selfridges**

It seems that most companies are now aware of the need for mobile-optimised email and websites. The use of social networks on mobile is still growing rapidly with a third of Facebook's active daily users using it via mobile only[10]. Brands' efforts via social media are pre-optimised in-app, one of the reasons for social media's popularity, its user volume being the other.

New Google PPC campaigns are automatically eligible to display on mobile now, too, which means targeting mobile devices separately with this powerful acquisition tool is no longer something businesses have to factor in.

However, despite these changes, with many companies making efforts to allow mobile devices to slip seamlessly into any customer journey, fewer companies are marketing specifically to mobile.

This means the use of SMS and app push notifications is not widespread, despite these being seen as strategically viable. Take-up of mobile display networks is also only now gaining momentum through programmatic buying, though over time one might expect these networks to become similarly device agnostic.

*"Mobile technology is featuring more heavily in our campaign planning process as it allows us to talk to our customers in a more personalised and engaging manner than other media channels."*

**David Paice, Merlin Entertainments**

However, a focus on the needs of mobile as a device is often to forget how it interacts with other devices and platforms in the multichannel mix. It's a salutary lesson why no channel can really afford to be developed in isolation any more. Whether designing for app, email or mobile web, marketers must be conscious of the subsequent steps the customer will take in the journey.

It has already been determined that consumers use numerous touchpoints and devices for a single purchase decision. It is a vital question to ask if these other touchpoints are interacting seamlessly with mobile and make sense in the journey:

*"It's all very well being mobile-optimised on email but where you land people is very important. If our customer has a mobile-optimised experience but then clicks out and the experience is non mobile the last mile isn't up to scratch and they have a choice where they might drop out. You've set the expectation that it will work."*

**Steve Sweeney, MoneySuperMarket.com** (taken from 'Bridging the Gap in Email Marketing'[11])

Some statistics from 2013 point to a majority of consumers using mobile to check email. A study from Nielsen found that 68% of UK consumers had used their mobiles to check emails in the previous 30 days.

This clearly shows the need for marketers to consider how their messaging works on mobile devices, from website to email.

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[10] http://venturebeat.com/2014/10/28/facebook-passes-1-35b-monthly-active-users-and-864m-daily-active-users-with-a-third-now-mobile-only/
[11] https://econsultancy.com/reports/bridging-the-gap-in-email-marketing

## 6.3.     Paid search key for acquisition

While mobile, social and personalisation attract much attention, PPC is still demonstrating its worth for the majority of businesses. A study by Shop.org found that 46% of marketing budgets were dedicated to paid search[12].

Eminently measurable and highly segmentable by location of consumer or bricks and mortar store, PPC is able to engage in deep targeting to deliver a high degree of relevance to a customer in the discovery stage. In Q1 2014, search began 44% of all US ecommerce transactions[13] .

**Chaka Camacho**, from GSM London (formerly Greenwich School of Management), sums up the role of paid search for many businesses succinctly when she says: *"PPC is definitely the biggest lead generator for us."*

Paid search can be more sophisticated than merely a 'one way' journey to a website, with remarketing for search allowing businesses to target users that have already visited their websites. Dynamic remarketing – inserting the precise product viewed in a dropped basket or ecommerce page – can deliver five times more sales than static remarketing[14].

PPC is also a key tool in feeding back customer journey information to the organisation allowing it to adjust many variables within the multichannel mix. The data gleaned from testing paid ads can feed back into SEO and other channels while bids can be adjusted for mobile depending on how mobile-dependent a brand's desired consumer base is.

**Haydn Parks**, Agent Provocateur, discusses the power of PPC for internationalisation, tempered slightly by the fact that advertising with generic terms is expensive if ultimately still successful.

*"Paid search allows us to capture the demand generated from high levels of off and online press coverage. As the business grows into new markets, so does paid search as a performance marketing channel.*

*"It's challenging for a luxury business with high AOV [average order value] and relatively low volume to optimise on a broad mix of non-brand search terms. One long-tail keyword may convert once with a very high ROI, so maintaining visibility of that keyword to capture its next high value conversion is important whether it's one or ten months away."*

## 6.4.     Display still difficult for SMEs

Display advertising is a channel for acquisition, brand awareness and re-engagement that is evolving particularly quickly. The greater oversight afforded to advertisers through programmatic display allows for better management of budget and better targeting.

Retargeting in ecommerce and higher budget brand advertising (often with video and native units) is thriving in display, along with app re-engagement and download efforts in mobile display. However, despite these areas of growth, when looking at medium sized business there is still caution exercised when it comes to display.

This caution stems partly from a history of obfuscation and poor reporting in the channel. **Chaka Camacho,** GSM London, highlights how without time and resource to test and analyse display advertising, the channel isn't always effective.

*"Display is quite tricky, we get quantity but not quality. We're trying to fine-tune that and know what networks we should be on, so we get quality. That's always a problem, you think you're getting results but then when you look at data, you're not."*

[12] http://www.roirevolution.com/blog/2014/06/paid_search_strategies_for_multi-channel_retailers/
[13] https://econsultancy.com/blog/64829-how-does-google-influence-the-retail-customer-journey#i.1wjdtrom5qe2ny
[14] http://www.roirevolution.com/blog/2014/06/paid_search_strategies_for_multi-channel_retailers/

Here is another valuable lesson to businesses that they should be assessing 'what works for them'. In this case, GSM London are acquiring customers with direct mail, social publishing, face-to-face and PPC and there's nothing to say that display has to be part of this mix.

When display is used as an awareness tool, there's obviously an imperative to track either correlative uplift in enquiries (often difficult to be prove unless done at scale) or to use cookie pools to try to tie display into the customer journey.

Even larger brand advertisers speak of having difficulty getting value from display. Haydn Parks, Agent Provocateur, points to the difficulty of proving ROI: *"Because we're relatively low volume it's hard to gain statistical significance from testing the incrementality of retargeting display activity."*

## 6.5. Live chat for sales and experience

Live chat is a service channel that is becoming increasingly important, whether it be for acquisition or for support and retention.

If a multichannel experience isn't as slick as it could be, with users failing to find information in a particular channel, particularly web, live chat can paper over UX cracks.

**Dwayne Browne**, Digital Insights Manager at EE, highlights how rapidly this channel is gaining favour with customers and how invaluable it can be within a multichannel experience.

### Voice of the brand

"We might not increase the amount of customer service agents but if we route them to the web, they can do web chat, and they love that, that gets really good NPS and customer satisfaction overall."

**Dwayne Browne, EE**

## 6.6. Offline and in-store

Businesses see the store or offline locations as a battleground for educating the customer on the multichannel experience in an effort to increase the lifetime value of that customer.

It is often quoted that multichannel customers are worth four times that of a customer shopping solely online or offline. Elements that aim to enmesh online and offline include click and collect in retail, staff that are knowledgeable of online services (whether stock, support or specific account details) and perhaps technology bringing online to store (such as tablets, kiosks etc.).

### 6.6.1. Is data collection undercooked?

In a multichannel context, it's surprising that gathering data on customers in-store (or equivalent outside of retail) and tying that up to online profiles isn't more widespread. As has already been established, email has a role to play here but the main value exchange for data currently is through a loyalty scheme or similar.

The scope for data collection could be massively enhanced in-store by mobile technology. Geo-fencing is fairly nascent, as is payment by mobile, but the first hurdle (i.e. providing Wi-Fi networks in-store) has been cleared by many retailers.

### 6.6.2.  Assisted selling

In retail this is happening in many stores, from Crocs offering 'endless aisle' tablet technology to order shoes online that aren't in stock, with delivery available to home or store. Luxury retailers such as Burberry and Apple are aware of a customer's purchase history via store associates' tablets and are able to make recommendations accordingly.

**Simon Forster**, Executive Director - Multichannel, Marketing & Supply Chain at Selfridges, interviewed on the Econsultancy blog in October 2014, discusses the relative maturity of the multichannel customer journey in-store, showing many businesses know what the goal is (or what a proportion of consumers expect), and that its achievement is ongoing.

*"...we're still fairly early on the journey. Take this store* [London]*: we need to make a number of big changes to accomplish this. We have had Wi-Fi in other stores for two months and we'll add it in this store in two weeks, along with 3G.*

*"That is a fundamental part of connecting store and site. It then allows us to do things like assisted sales. A member of staff with a tablet device will be able to show customers product details and help them with their purchases. We're starting to do this in the Manchester store from Friday. Assisted sales will start in London after Christmas."*

### 6.6.3.  Click and collect is established

Click and collect is also instrumental in joining up the on and offline worlds. As Evans Cycles' Lockie stated previously, it can deliver the missing service and tailored expertise missing from the online experience, particularly in specialised product sectors. Lockie also reveals the opportunity for upsell in-store when a customer collects an online order.

*"32% of customers reported making an additional purchase in-store when they collected their order. On the face of it, this appears to indicate a healthy volume of add-on sales. However, further analysis of sales data showed actual add-on sales (defined as 'an additional purchase by the same customer on the day of order collection') to be closer to 16%."*

Even at 16%, this is significant and highlights how a multichannel experience can provide the most value for customer (in terms of research, advice and availability) and retailer.

Selfridges' Forster highlights just how impactful click and collect can be:

*"It can account for up to a fifth of transactions in any week. I'm pleased because we have four stores, and it proves the link between customers using the site and coming into stores."*

John Lewis has reported click-and-collect sales doubling from 2011/12 to 2012/13, and expected click-and-collect order volume to surpass home delivery orders in the Christmas 2014 period.

### 6.6.4.  Showrooming, conversely, is also established

While multichannel is unarguably causing marketers headaches when it comes to measurement and attribution, some are taking a holistic view of on and offline cross-channel attribution to ensure all elements of the customer journey are rewarded for their contribution – improving customer service into the bargain.

An Econsultancy study found 43% of UK shoppers use smartphones to compare prices and read product reviews while shopping[15].

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[15] *https://econsultancy.com/reports/how-the-internet-can-save-the-high-street*

Showrooming has caused consternation in the past as brands recognise the need for customers to be able to experience product in a bricks and mortar store but are concerned that too much emphasis on the online channel is cannibalising sales.

To answer this challenge, retailers such as Dermalogica use location data to attribute sales to the customer's nearest store. This acknowledges that while the store may not have converted the customer, residual marketing from point of sale or sampling will almost certainly have influenced the purchase decision.

While influencing attribution this strategy is also motivational for in-store staff whose sense of competition with the online channel would otherwise lead them to exhibit behaviours that may pressurise customers to make an on-site purchase and ultimately turn them off. In a November 2014 round table on the topic, **Adam Pow**, Senior Global CRM manager for LEGO recounted his experience in a previous position at a DIY chain:

*"In my previous role at a DIY retailer we were very specific about attributing any sale – web or mobile – by looking at address and attributing the sale to the nearest store. This meant the store had no reason to try and avoid having the customer transact online and so the service provided was better. There was no cannibalising or competing with yourself. It wasn't perfect as not everyone visits their local store but the insights told us that the majority do."*

**Adam Pow, Senior Global CRM Manager, LEGO**

*"They may not want to buy now, but [rather] see products in the store and order them later at home, or have them sent to where they live. We want people in the store to think about all aspects of this service, not just the channel they're in. So you have to give everyone the sales credit for that, as you're changing their jobs. As soon as you do that, people start to think differently."*

**Simon Forster, Executive Director - Multichannel, Marketing & Supply Chain, Selfridges**

## 6.7.     Are call centres missing opportunities?

The modern call centre, both inbound and outbound, works from a CRM system showing a range of data. However, this range varies between businesses depending on technology, product type and organisational structure. It's clear that many organisations don't include digital data in their call centre CRM and this is an element that can perhaps cause a disjointed multichannel experience.

Whether the customer expects a call centre operative to be aware of every past interaction across channels is debatable, but nevertheless there is much to be gained in a multichannel context by feeding digital insights to offline teams.

Integrating the call centre into the multichannel business remains a challenge for a large number of companies. Faced with legacy systems and data privacy issues, many are unable to join up the customer's self-service activity online with subsequent interactions on the phone.

With 99% of marketers seeking a single customer view but only 24% claiming to have one according to Experian[16], Moneysupermarket.com's Steve Sweeney's warning holds true – for the multichannel experience to work seamlessly companies have to ensure that the experience is mirrored when customers switch channels. With email driving resurgence in click-to-call and therefore call centre contact, there is an imperative to improve the responsiveness of this channel in short order.

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[16] *http://www.experian.com/blogs/marketing-forward/2014/08/26/to-find-insight-marketers-need-to-improve-data-collection-and-linkage/*

## 6.8.     Above the line is still a sacred cow

The trackable nature of digital media and digital customer journeys has given impetus to marketers seeking to understand the entire customer journey and influence of all communications and sales channels, including online and offline.

However, TV, often the most impactful advertising from a brand point of view, still allows only a correlation to total sales to be drawn. In the future, with advances in TV advertising on connected TV sets, this may be something that will change, but ultimately it's hard to track intent until a customer starts the research or buying journey.

**Dwayne Browne**, EE, highlights how above-the-line media spend still stands apart from what might be termed multichannel.

### Voice of the brand

"As far as multichannel goes there is a correlation between above-the-line activity and digital though obviously that's quite hard to prove. A lot of people do ask us [about this correlation] and we do see it, particularly when there are calls to action in above-the-line, for example TV ads."

**Dwayne Browne, EE**

However sophisticated multichannel marketing becomes, the power of mass communication (ergo untracked) will likely remain. Even in this area though, video's success on social media (predominantly through YouTube and Facebook) has become a proxy for judging its success in the wider public through broadcast media.

## 6.9.     In B2B, it's personal

The opportunities afforded by multichannel shrink somewhat in many B2B cases. With relationships increasingly personal, much business is prospected, examined and concluded on a one-to-one basis. That is not to say, however, that the tools of automation and strong content disseminated across a selection of highly relevant and targeted channels are not welcome.

### 6.9.1.     Email – automation and human

Automation, given further treatment in the opportunities section of this report, is a fundamental part of the lead generation funnel for many considered purchase B2B marketers. This automation can be classed as multichannel, even though in effect the most common channel switches are web-to-email and web-to-call.

Email automation is key in the early stages of a B2B campaign and bear many similarities with the B2C world – delivering relevant content, targeted intelligently and providing a gateway to similarly relevant experiences in other channels.

However, progressing B2B relationships often becomes a case of man trumps machine. With the future email exchanges relying on staff input, it behoves companies to equip their teams with the training to stay on-brand in exchanges while also being able to access relevant customer data to make sure appropriate product offerings are highlighted and procedures followed.

### 6.9.2.     Content remains king

For high value products in B2B such as enterprise software or engineering services, say, the research cycle is long and many B2B marketers have invested heavily in content marketing to educate the customer and bring warmer leads into the sales funnel.

Having created this content, it often resides on a website, free but behind a registration barrier or perhaps given away through a webinar. This registration can trigger a phase of automated emails designed to move the customer to the next stage of the buying cycle.

The table below (*Table 2*) is taken from the Econsultancy B2B Content Marketing Best Practice Guide. It shows the six stages of the B2B considered buying cycle. Whilst the aim of the table is to show content formats appropriate for each stage of the cycle, this table could be redrawn to show marketing and communication channels appropriate to each stage.

Social media is now used in B2B as a softer sales technique than the telephone, for continuing engagement, making for warmer leads. Web and mobile-first web is used throughout the buying cycle for hosting the majority of content marketing, although print/direct mail is of course still important, and social publishing is increasing the spread and impact of good content.

Live chat can be used in the requirements and solution search to engage visitors. Retargeting through search and display can re-engage site visitors and social advertising can target an email pool or matching individuals. Of course, manually following up via the telephone is still vital.

Email is used throughout these buying stages, both traditionally as a one-to-one communications method, but also to deliver triggered messages after content consumption.

Table 2: The six stages of the B2B considered buying cycle

| Stage of cycle | Buyer awareness | Suitable content formats |
|---|---|---|
| Needs identification | Unaware | White papers, research reports, articles, blogs, webinars |
| Requirements specification | Unsure | Product guides, webinars |
| Solution search and evaluation | Engaged | Case studies, customer testimonials, customer reviews, expert reviews, webinars |
| Selection and due diligence | Engaged | Webinars, |
| Purchase and implementation | Committed | |
| Maintenance and Support | Retained | Newsletter, custom content via website |

At a 2014 roundtable discussion of B2B content marketing (detailed in Econsultancy's B2B Content Marketing Trends Briefing) contact strategies were a theme for discussion.

Whereas debates in previous years have been about the need for content, board buy-in is now being sought for improved CRM and automation technologies to properly blend content with the multichannel journey.

## 6.9.3.     Improving multichannel marketing

Multichannel behaviour is delivering clear benefits for brands. In this report and others, evidence abounds around how emails with click-to-call functionality improve conversion ratios or why dynamic PPC is driving exponentially larger remarketing traffic when combined with web-based browsing data.

But it also presents myriad challenges. The permutations of channel integration seem infinite and, while measurability is delivered in minute detail in some channels, it is virtually absent in others. Tracking the customer journey is complex, if only because changing channel interactions ultimately alter fundamental customer behaviour. Multichannel marketing can become a Sisyphean task that baffles and delights marketers in equal measure.

**Andy Edge**, Commercial Director for Odeon and UCI cinemas, revealed the problem at the 2014 Festival of Marketing:

*"There are challenges in multichannel of weighing and consistency … There is a temptation to spread ourselves too thin when investing in channels, you can get a bit lost in trying to do a bit of social, radio, press, TV and cinema."*
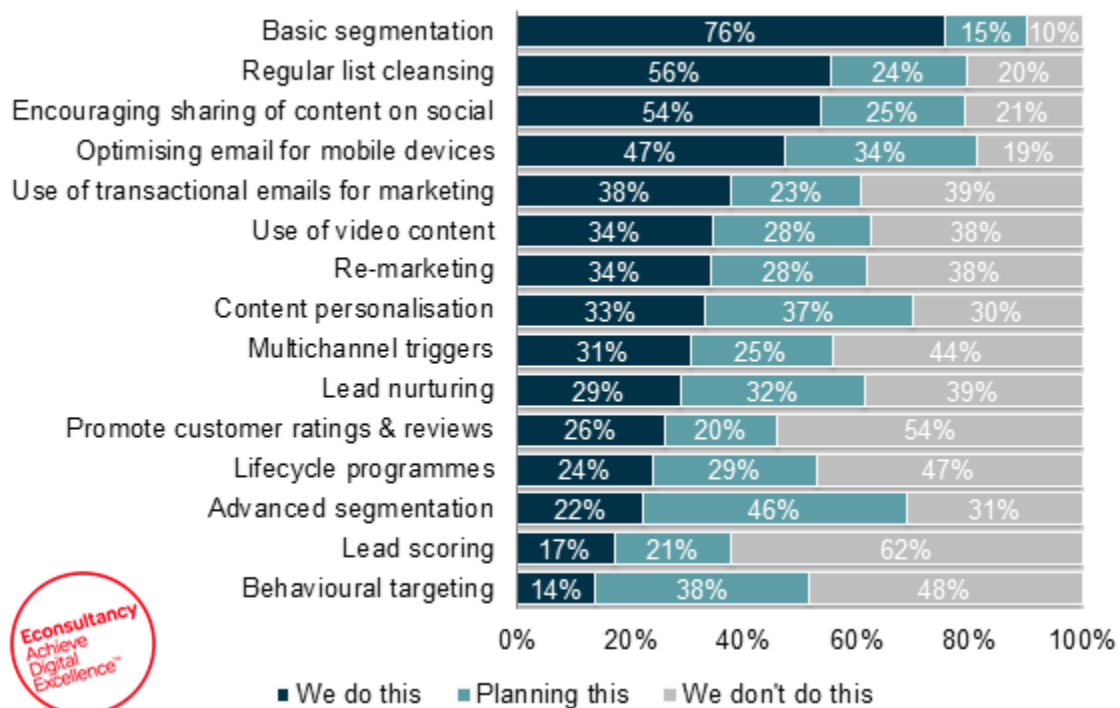
# 7.  Challenges

There is no single, definitive list of challenges from managing multichannel that a marketer can set to and tick off in turn. However there are some major hurdles that require focus for a best-case scenario approach:

- Resources for segmentation
- Upskilling
- Silos
- Data
- Technologies

## 7.1.  Segmentation is powerful but resource-heavy

Econsultancy's 2014 Email Census cites 76% of responding companies as having segmentation as part of their email strategy. However, the ability to exploit those segments was revealed to be lower.

Figure 2: Marketers and agencies still planning how to move beyond basic segmentation

*Source: Email Marketing Industry Census 2014*

There's no doubt that segmentation is an important weapon in multichannel marketing as it allows for greater relevance. Relevance is key to ensuring communication in different channels, particularly outbound communication/messaging, is afforded the greatest chance of making an impact on the customer.

Segmentation commonly occurs at a broad level on websites, where content can be personalised, often with SaaS software, allowing companies to target based on past behaviour (often simple

criteria such as whether men's or women's categories were browsed), transactional behaviour or location-based data.

Email is more regularly segmented both manually and in automation campaigns, again based on site behaviour, transaction history and so on.

Backing up the survey findings above, interviewees spoke of their work with segmentation and also warned of its complexity as one of the challenges of multichannel marketing.

The more segmentation that is undertaken, the more content development and testing is needed.

Here it's obvious that unless companies are well resourced, with staff and technology partners that can provide good email, CRM and analytics systems and strategy, segmentation can quickly become unwieldy.

**Chaka Camacho**, GSM London, discusses the range of demographics among her customers and the challenge she faces as a result:

*"We do a lot of work into segmentation of who they are and the best way to communicate with them across all channels, as well as identifying new emerging channels where we can communicate with our audience. It's vast - you go from typical college leaver to people who are 50, returning to education. So the comms are very different depending on target market."*

**Dwayne Browne**, EE, also highlights the range of customers EE has, this time from a support perspective:

*"If you think about it, Giffgaff does really well. They don't have support - it's a self-support model. I fear though their audience is completely different to EE. They are tech savvy, over-indexed for males. The EE audience hits every nook and cranny. I think [support solely online without telephone] could be done but there's a lot of thought that needs to go into different types of service for different segments."*

## 7.1.1.  Resourcing

Does multichannel marketing mean a greater workload for marketing and ecommerce? Although many see this to be true, increased revenues driven by higher overall conversion is seeing some companies grow in size, allowing a commensurate increase in size of the marketing team.

Additionally, new technology such as marketing automation platforms should reduce relative workload (per message delivered) even if this technology can be resource-heavy in its initial implementation.

Accessing multichannel is rather like delving into the sweetie jar. As Odeon's Edge explained in his quote at the end of the last section, the temptation to at least dip a toe in each channel is strong. However, as he and his company rapidly came to realise, dipping a toe is not often an option. Engaging in social media, he reveals, resulted in a single negative experience being reposted over 40,000 times and the company did not have the resource to manage the event properly.

Equally, with that warning ringing in their ears, the temptation is then to heavily resource without fully considering the implications for the business. Rather than sound P&L practice of increasing the staff or technology resource (and therefore cost) based on a proven or trustworthy prediction of revenue increases, less wary marketers might find themselves increasing cost on the basis of servicing company activity – there is no proof from this that increased profits automatically follow.

Savvy marketers have approached this challenge from an efficiency perspective, marrying the opportunities afforded by multichannel – automation, reduced reliance on paid media – with reduced cost internally.

Of course, not every business is growing in this way. Irrespective, **Chaka Camacho** from GSM London is sanguine about the move to multichannel and the work involved. Far from an increase, Chaka sees this work as being easier or more streamlined because of the new focus brought by a channel mix.

*"I don't think [it's more work]. I think it's a way of thinking. We are a small team so for us everything is full-on. Once we got into that way of thinking, it gets easier and it probably saves us costs because we've got our consistent message and you're just adapting it to the medium that you're sending it out in."*

## 7.1.2.  Offline teams need to upskill

Skills are a definite challenge across all channels, as the digital marketing and ecommerce sectors are booming without yet a commensurate increase in training and education in relevant disciplines.

This is identified across the board as a fact of life, with highly skilled data and analytics professionals in demand. But skills are also an issue offline, where staff often don't have enough knowledge of other channels and therefore can't offer the most relevant service or products to customers.

*"Some store staff don't know what you can measure. I was having a conversation in store about how these retailers were going to merchandise in stores at Christmas, including which weeks they would promote which products. So I whipped out my laptop and looked at Google trends to see where the interest spikes [in Google searches over the year]. They were standing there with jaws dropping."*

**Edward Armitage, Head of Ecommerce, Hobbycraft**

## 7.1.3.  Silo team structures

The concept of silos has been debated for many years, outside the concept of multichannel. The sense that marketing can no longer operate as a self-contained department is evident in its interactions with sales and commercial teams where marketing insights drive product development and also with finance teams where marketing spend and effectiveness directly impact the health of the P&L. Evans Cycles' Lockie, in his white paper on the multichannel retail model, discusses the origin of siloed team structures.

"Like many retailers, over the years the business developed channels in relative silos, with teams perhaps focused more on channel objectives rather than business-wide objectives.

"In the early years, it was seen as relatively easy to 'bolt on' an ecommerce operation compared with the relatively high cost to expand and maintain physical stores.

"Due to increased customer demand for cross-channel services, however, the business is now seeing these channels converge and is adapting appropriately."

**Will Lockie, Evans Cycles**

Critical to the success of multichannel is the understanding across disciplines and channel managers about the recency, frequency and relevancy of communications. Notonthehighstreet's Lea points to the need for an overarching strategy that outlines appropriate points and times of customer contact to avoid saturation. Silos, or at the very least departments without either overall guiding principles or open lines of communication, are at risk of creating a disjointed and ultimately unfruitful customer multichannel experience.

In a move that seems contrary to trying to reduce siloed marketing practices (a challenge discussed later in this section), **Edward Armitage** of Hobbycraft below discusses moving email and CRM out of digital marketing and into its own team. Partly this is an argument of resourcing – giving this team the chance to do its work with greater resource and without competing priorities of the acquisition-minded teams. Whether this works in the long run will be an interesting study.

"The best thing we did in the last few months has been to take email away from the digital marketing team. There's a certain mindset with acquisition marketing and it doesn't fit with planning and CRM. Email now has its own owner.

"Email is now streamlined under a CRM manager with an email designer in charge of templates. There's a medium to long-term schedule in place that looks at all craft types and contact frequency. If any internal customers want to communicate via email they have to book it in and make a case to be included in the content and that case is only if it adds value to the whole."

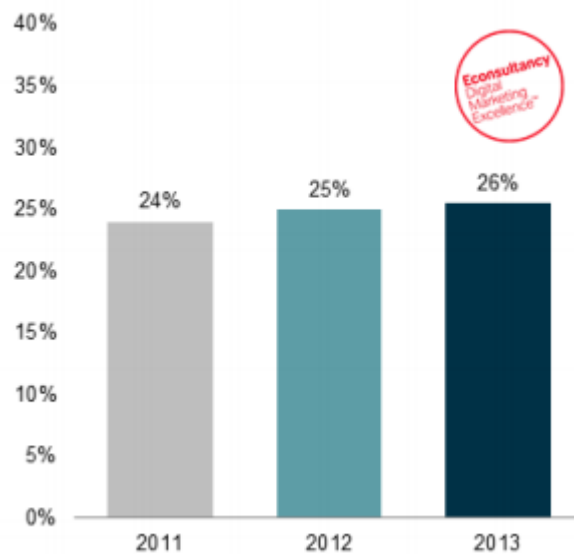**Edward Armitage, Head of Ecommerce, Hobbycraft**

## 7.1.4.     Data and attribution

Data is a challenge for many marketers, both gaining access to data and consolidating data sets. The concept – and inherent difficulty – of the single customer view has already been touched upon. Additionally, the challenge of tracking the entirety of a customer journey can stem from SaaS systems that aren't yet integrated.

The Econsultancy/Lynchpin Online Measurement and Strategy Report found little difference in the proportion of companies carrying out attribution modelling between 2011 (24%) and 2013 (26%).

Last click attribution has long been considered sub-optimal but 50% are still using it and presumably to apportion marketing budget.

Figure 3: Do you do any kind of attribution modelling to give more insight into the relationship between different channels?



*Source: Econsultancy/Lynchpin Online Measurement and Strategy Report*

## Voice of the Marketer

"It's more about internal systems, as well as tracking and attribution, so we know we can do all this activity but unless we can track it to the bottom line we can't create the business case to invest."

**Chaka Camacho, GSM London**

The challenge of attribution has already been alluded to in respect of marrying on and offline activities and rewarding the customer journey appropriately. Last click attribution is still widely used even in non-purely digital journeys and is now widely acknowledged to be largely unhelpful for understanding the bigger picture.

Fractional attribution is again being explored as an alternative but executives interviewed for this report also agree that it is not a true reflection of the contribution of all the moving parts in a multichannel environment.

What digital and data have driven in the last two to three years is a growing culture within organisations where test and learn is combined with an accepted level of risk. This allows companies to use their data to examine segments, test campaigns and develop lookalike targeting, among other strategies.

Test cohorts are not large, thus limiting potential damage and companies can take non-traditional steps to assessing each element's contribution to the whole – often through a method of omission. By removing an element of the multichannel mix and examining the impact, its overall contribution can be assessed.

### 7.1.5. Technology

Many of the positive characteristics of multichannel discussed in this report have depended on consumer technology to deliver the experience. However, as the Tate's Director of Ecommerce, **Ros Lawler**, recounts, the simplest glitch can bring the whole house of cards down:

*"One problem in [our] shops was poor connectivity to online, which made it difficult for retail staff to check online availability."*

While acknowledging that mobile-first responsive web is a given in multichannel, marketers often don't take into account the impact of service limitations on their design. Slow-loading websites are cited by 42% of travel consumers as a turn-off for booking with a particular company, the second biggest turn off after pop-up ads[17].

So companies are fire-fighting on two fronts – managing customer expectations through devices over which they have little control, while also trying to bring existing systems into the 21st century:

*"A big project we're looking at this year is developing a single basket. Like a lot of organisations with legacy systems, if you want to book a ticket you go to one place and if you want to buy from the shop you go to another. In the short term we are implementing pragmatic improvements to our customer journeys whilst planning the longer-term technology upgrade. Ensuring our data capture and CRM management is future-proofed adds an extra layer of complexity."*

**Ros Lawler, Director of Ecommerce, Tate**

## 7.2. Opportunities

Multichannel indisputably throws up many challenges for the organisation as it struggles to reconcile departments, data, new and old technologies. Many feel overwhelmed by choice and are unsure about where to draw a line in the sand. However, viewing multichannel strategy through the lens of customer-centricity, itself moving from the realm of buzzword to guiding principle, will surely help brands focus on the most important targets. Companies need to relinquish their grip on a long-held belief in push marketing and accept that the customer now comes to them. It's about right person, right message, right channel at the right time. Defining the customer will help define the channel, the only task then is to make it work in the most efficient way while delivering the best experience.

### 7.2.1. The lurking power of Facebook

While Twitter is used for brand, Instagram for engagement and LinkedIn for B2B, Facebook is notable for its intrusion into the minds of marketers across departments and sectors. Chiefly, this comes from the fact that the value of using the platform for paid activity is agreed upon and its lead generation possibilities myriad. Essentially, Facebook has proved ROI for social almost up to a last click model.

### Voice of the marketer

"Social holds the biggest opportunity for us in terms of the money that we don't currently invest in it combined with the potential value it offers.

"We have Pinterest, Instagram, Facebook, Twitter, YouTube and Google+ accounts. Our audiences are highly active across all platforms, and we see the strongest levels of engagement on Instagram. Twitter has become a platform for our brand voice while Facebook offers a mix of opportunities including brand engagement as well as a driving sales.

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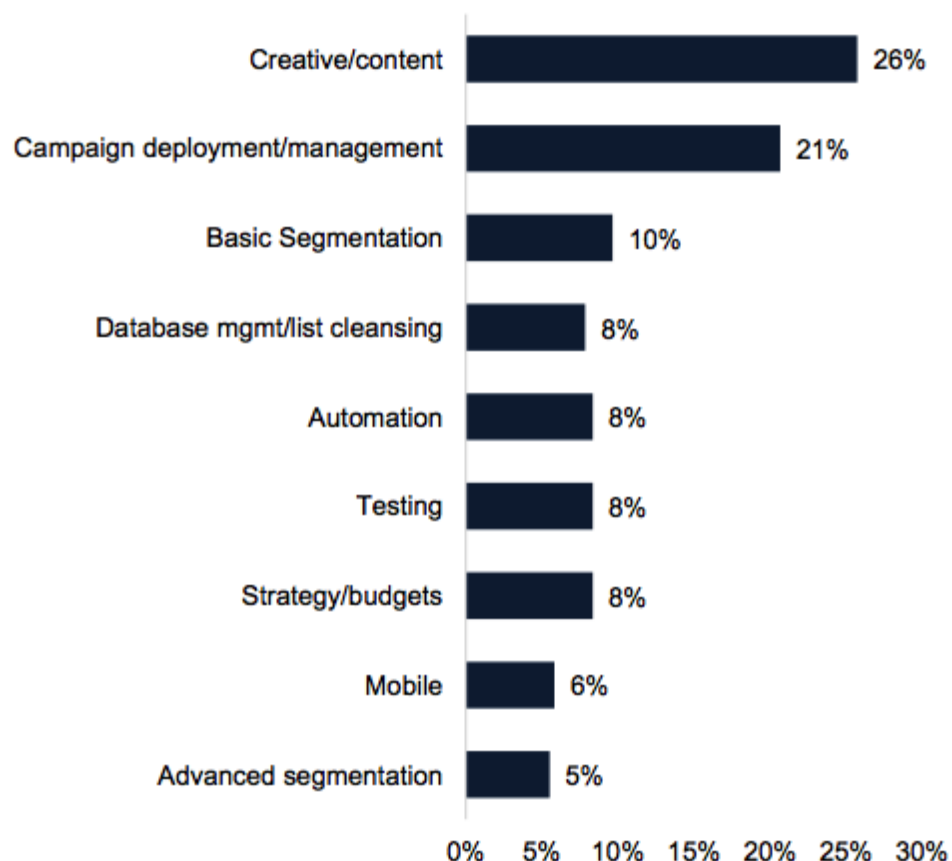[17] *EyeforTravel/WAYN Consumer survey November 2014*

Custom Audiences has already been discussed, allowing email segments to be targeted on Facebook. Facebook is truly becoming part of the customer journey and, of course, the platform is used widely on mobile and users are tracked across devices.

## 7.2.2.  Automation

Automation is happening, but surveys suggest there is a lot more that could be going on, given marketers' focus on it as the next 'game changer'.

It was suggested in the section 'email presides in automation' that, exactly that, email is the first step. However, even here, a recent study, The Email Marketing Speed Imperative, also produced by Econsultancy in partnership with dotmailer, showed a surprisingly small amount of time devoted to automation by the average email marketer.

One of the questions asked by the study was '**How does the average email marketer divide their time?**' The results are thus:



| Category | Percentage |
|---|---|
| Creative/content | 26% |
| Campaign deployment/management | 21% |
| Basic Segmentation | 10% |
| Database mgmt/list cleansing | 8% |
| Automation | 8% |
| Testing | 8% |
| Strategy/budgets | 8% |
| Mobile | 6% |
| Advanced segmentation | 5% |

Obviously it would be a bit of a paradox to suggest marketers spend lots of manual labour on *automated* email but, of course, the campaigns need setting up and testing. It is to be expected that if this survey was conducted again a year hence, given the interview responses for this report, the time spent on automation by email marketers (and marketers in general) will have increased.

Automation was by far and away the opportunity most cited by interviewees. Not only does it trigger multichannel experiences, it does so at scale. Automation can be used for a variety of purposes but is perhaps chiefly recognised in the B2B sales funnel, in ecommerce post-sale or after abandoned checkout, and post-signup on a website for many companies.

Chiefly, email is the action triggered, but also website content and social messaging.

## Voice of the brand

"I think [automation] is one of the key things for us going forwards. I've got a personal goal of being 80-90% automated and 10% manual in a couple of years' time. I think it's key for us. It's just too much volume otherwise."

**Tim Lundberg, Reed Online**

*"This is what we're looking at the moment, to purchase a marketing automation system, which we're working on a business case for.*

*"Mainly [for] email and social messages. Responding to people with the right information depending on their user journey. At the moment, it's not as relevant as it could be to their unique situation."*

**Chaka Camacho, Web and Digital Insights Manager, GSM London**

Increasingly available dynamic content, particularly in email, is also lending a richness to automated communications that allow for a personalised and engaging experience for the customer. A single promotional email from clothing retailer Boden would have elicited a response certainly. However, by adding a time penalty element the company increased conversion from its email campaign.

A countdown clock was added to the original email as a learning from the company's insight team was that customers would revisit promotional emails already sent, seeking the discount code. By realising that the countdown code led to a diminishing discount over time, the clothing retailer could control response, encouraging the majority to come through at the start of the campaign and reducing the risk from the law of diminishing returns as more and more reminder emails triggered lower and lower responses. Now, when Boden sends out a discount code, customers are engaged and ready to act rather than always waiting for one of the ubiquitous code emails before making any purchases.

All of this activity could be both personalised to a degree and automated saving the company time and money while driving up campaign effectiveness.

In the 'Surveying multichannel' section we touched on how email presides in automation, but the whole customer journey has been earmarked for consideration and many companies are defining this work.

## Voice of the brand

"Post-purchase we want to constantly re-engage with the customer to remind them we're here. That could be automated happy birthday messages for example. We have the information and as opposed to pushing product down their necks and hoping they'll take it, we need to increase engagement with the messages we send out."

**Jonathan Dicks, Ecommerce Director, Hudson's Shoes (taken from *Bridging the Gap in Email Marketing*)**

### 7.2.3.   More sales channels

Using as a mantra 'serve the customer in the channels where they are, not where you want them to be' it is easy to see multichannel changing social media and other points of customer interaction into extra sales channels for brands.

Much has been made of the need to ring-fence the customer in proprietary brand channels. Received wisdom would suggest that directing consumers away from the company's channels results in brand affinity with a third party – or worse, a competitor. However, like the frustration experienced in having to zig-zag all the way to the back of the hypermarket to retrieve a pint of milk, making the customer work hard to transact is no incubator of brand loyalty.

Brands need to find other ways of growing affinity with a brand beyond trapping the customer in their physical/digital borders. Allowing customers to transact in new places, using new payment methods, universal log-ins and mobile concierges all contribute to a positive sense of engagement.

### 7.2.4.   Real-time optimisation in channels

The volumes of data driven and demanded by multichannel can seem overwhelming and with siloed organisations or those fighting incompatible legacy systems it is a challenge. However, even marshalling a small portion of that data can drive some key changes to media buying that may, eventually, render less important the oft-quoted Lord Leverhulme concept "I know I waste 50% of my advertising budget, I just don't know which 50%."

By being able to track and ultimately anticipate customer behaviours, campaigns can be optimised to the most relevant media at optimum times. While some will be based on established patterns, where necessary to capture the customer 'in-the-moment' (i.e. relevant TV content supported by advertising or mobile PPC triggered by location), data can automate and serve up hyper-relevant campaigns for maximum conversion effect.

**Voice of the brand**

*"I have no doubt that as more and more inventory can be tagged and built into a programmatic ecosystem, more and more media and eventually full through-the-line campaigns will be optimised in real time. Entire campaigns will be able to shift their content entirely into TV or social at the touch of a button."*

**David Paice, Ecommerce Director, Merlin Entertainments**

### 7.2.5.   One CRM/inventory to rule them all

It's worth pointing out that for many, the future of multichannel remains as the joining up of on- and offline.
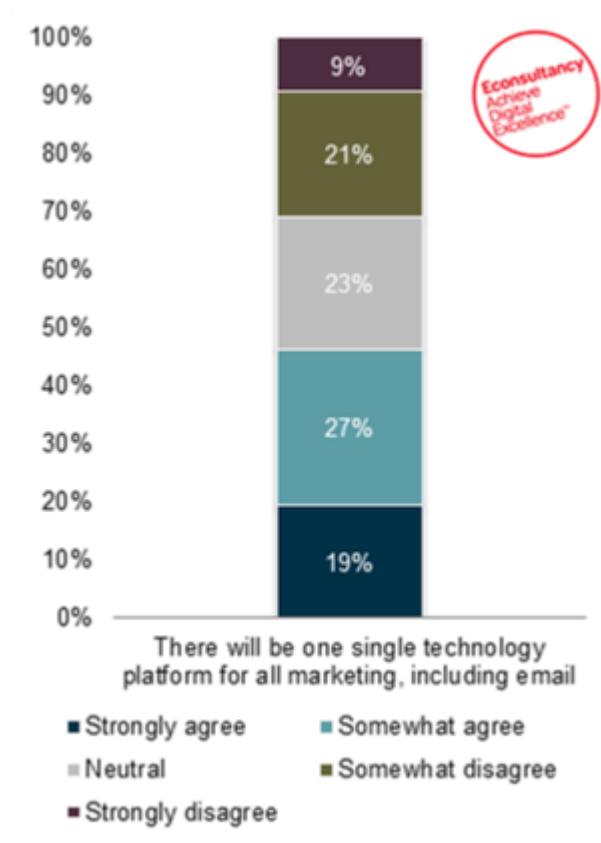
This means a CRM or, in ecommerce, inventory, that is common to all parts of the business. This could mean a dashboard that telecoms call centre operatives look at that matches back-end systems and in-store software. It could mean a single CRM in retail, allowing store associates to check stock and deliver to home or point a customer to another store.

This is merely a technology issue, but one that takes some solving, given the extent of legacy platforms and siloed datasets.

According to Econsultancy's last Email Census, the complete integration of email is something 85% of marketers expect to see within five years.

When asked if they thought there will be one single technology platform for all marketing including email, however, marketers were divided in their opinions, suggesting there is much work ahead.



*Source: Econsultancy / Adestra Email Marketing Industry Census 2014*

# 8.   Conclusion

Perhaps the best way to summarise the impact multichannel is having on organisations is the announcement in September 2014 that beleaguered supermarket chain Tesco's UK business was to be led by its erstwhile head of multichannel, Robin Terrell[18]. Could his experience in managing customer interactions across the Clubcard loyalty scheme, multiple web presences including grocery and direct, offline environments including petrol stations, Express, Metro and Extra and offerings as diverse as insurance and holidays, signal that the only true approach to managing business growth is to focus on multichannel?

Inevitably, companies whose legacy consists of silos, established structures and a product-centric mentality (in which the technology sector is particularly guilty) will find multichannel a struggle to adopt initially. But it isn't something that is an 'all or nothing' commitment.

Clearly there are many channels to choose from and like the child in the sweetie shop, the temptation is for a bit of everything. The key is to examine the business case for each, the incremental gain to be had from combining two or more within campaigns and aligning with the company's ability to serve.

This is very much a bespoke mix.

But however multichannel is sliced, there is a common core on which all brands can rely – Email.

**Email is at the heart of the multichannel**. Beyond Twitter, beyond the live chat and beyond the store assistant, the email conversation is where deals are seen and signed, questions asked and issues resolved.

Email is the gateway to multichannel and the guide when the customer loses their way. But it cannot exist in isolation – email ALWAYS causes an interaction somewhere else in multichannel and so brands must consider much more than the single email experience. It's not about where the customer has just been – it's where they'll go next.

*[18] http://internetretailing.net/2014/09/tesco-multichannel-director-robin-terrell-steps-in-to-run-its-uk-business/*